

# House Study Bill 658 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON EDUCATION BILL BY  
CHAIRPERSON HITE)

## A BILL FOR

1 An Act relating to public school funding by establishing the  
2 state percent of growth and the categorical state percent of  
3 growth for the budget year beginning July 1, 2022, modifying  
4 provisions relating to the regular program state cost per  
5 pupil, modifying provisions relating to the property tax  
6 replacement payment and the transportation equity payments,  
7 and including effective date provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.8, subsections 1 and 2, Code 2022,  
2 are amended to read as follows:

3 1. *State percent of growth.* ~~The state percent of growth~~  
4 ~~for the budget year beginning July 1, 2019, is two and six~~  
5 ~~hundredths percent.~~ The state percent of growth for the budget  
6 year beginning July 1, 2020, is two and three-tenths percent.  
7 The state percent of growth for the budget year beginning July  
8 1, 2021, is two and four-tenths percent. The state percent  
9 of growth for the budget year beginning July 1, 2022, is two  
10 and one-half percent. The state percent of growth for each  
11 subsequent budget year shall be established by statute which  
12 shall be enacted within thirty days of the transmission of the  
13 governor's budget required by February 1 under [section 8.21](#)  
14 during the regular legislative session beginning in the base  
15 year.

16 2. *Categorical state percent of growth.* ~~The categorical~~  
17 ~~state percent of growth for the budget year beginning July~~  
18 ~~1, 2019, is two and six hundredths percent.~~ The categorical  
19 state percent of growth for the budget year beginning July  
20 1, 2020, is two and three-tenths percent. The categorical  
21 state percent of growth for the budget year beginning July 1,  
22 2021, is two and four-tenths percent. The categorical state  
23 percent of growth for the budget year beginning July 1, 2022,  
24 is two and one-half percent. The categorical state percent of  
25 growth for each budget year shall be established by statute  
26 which shall be enacted within thirty days of the transmission  
27 of the governor's budget required by February 1 under section  
28 8.21 during the regular legislative session beginning in the  
29 base year. The categorical state percent of growth may include  
30 state percents of growth for the teacher salary supplement, the  
31 professional development supplement, the early intervention  
32 supplement, the teacher leadership supplement, and for budget  
33 years beginning on or after July 1, 2020, transportation equity  
34 aid payments under [section 257.16C](#).

35 Sec. 2. Section 257.9, subsection 2, Code 2022, is amended

1 to read as follows:

2     2. *Regular program state cost per pupil for 1992-1993 and*  
3 *succeeding years.*

4     a. For the budget year beginning July 1, 1992, and  
5 succeeding budget years beginning before July 1, 2018, the  
6 regular program state cost per pupil for a budget year is the  
7 regular program state cost per pupil for the base year plus the  
8 regular program supplemental state aid for the budget year.

9     b. For the budget year beginning July 1, 2018, the regular  
10 program state cost per pupil is the regular program state  
11 cost per pupil for the base year plus the regular program  
12 supplemental state aid for the budget year, plus five dollars.

13     c. For the budget year beginning July 1, 2019, the regular  
14 program state cost per pupil is the regular program state  
15 cost per pupil for the base year plus the regular program  
16 supplemental state aid for the budget year, plus five dollars.

17     d. For the budget year beginning July 1, 2020, the regular  
18 program state cost per pupil is the regular program state  
19 cost per pupil for the base year plus the regular program  
20 supplemental state aid for the budget year, plus ten dollars.

21     e. For the budget year beginning July 1, 2021, the regular  
22 program state cost per pupil is the regular program state  
23 cost per pupil for the base year plus the regular program  
24 supplemental state aid for the budget year, plus ten dollars.

25     f. For the budget year beginning July 1, 2022, the regular  
26 program state cost per pupil is the regular program state  
27 cost per pupil for the base year plus the regular program  
28 supplemental state aid for the budget year, plus five dollars.

29     ~~f.~~ g. For the budget year beginning July 1, 2022 2023, and  
30 succeeding budget years, the regular program state cost per  
31 pupil for a budget year is the regular program state cost per  
32 pupil for the base year plus the regular program supplemental  
33 state aid for the budget year.

34     Sec. 3. Section 257.16B, subsections 1 and 2, Code 2022, are  
35 amended to read as follows:

1     1. For each fiscal year beginning on or after July 1, 2019  
2 2020, there is appropriated from the general fund of the state  
3 to the department of education an amount necessary to make all  
4 school district property tax replacement payments under this  
5 section, as calculated in subsection 2.

6     2. ~~a. For the budget year beginning July 1, 2019, the~~  
7 ~~department of management shall calculate for each school~~  
8 ~~district all of the following:~~

9       ~~(1) The regular program state cost per pupil for the budget~~  
10 ~~year beginning July 1, 2012, multiplied by one hundred percent~~  
11 ~~less the regular program foundation base per pupil percentage~~  
12 ~~pursuant to section 257.1.~~

13       ~~(2) The regular program state cost per pupil for the budget~~  
14 ~~year beginning July 1, 2019, multiplied by one hundred percent~~  
15 ~~less the regular program foundation base per pupil percentage~~  
16 ~~pursuant to section 257.1.~~

17       ~~(3) The amount of each school district's property tax~~  
18 ~~replacement payment. Each school district's property tax~~  
19 ~~replacement payment equals the school district's weighted~~  
20 ~~enrollment for the budget year beginning July 1, 2019,~~  
21 ~~multiplied by the remainder of the amount calculated for~~  
22 ~~the school district under subparagraph (2) minus the amount~~  
23 ~~calculated for the school district under subparagraph (1).~~

24     ~~b. a.~~ For the budget year beginning July 1, 2020, the  
25 department of management shall calculate for each school  
26 district all of the following:

27       (1) The regular program state cost per pupil for the budget  
28 year beginning July 1, 2012, multiplied by one hundred percent  
29 less the regular program foundation base per pupil percentage  
30 pursuant to section 257.1 for the budget year beginning July  
31 1, 2020.

32       (2) The regular program state cost per pupil for the budget  
33 year beginning July 1, 2020, multiplied by one hundred percent  
34 less the regular program foundation base per pupil percentage  
35 pursuant to section 257.1 for the budget year beginning July

1 1, 2020.

2 (3) The amount of each school district's property tax  
3 replacement payment. Each school district's property tax  
4 replacement payment equals the school district's weighted  
5 enrollment for the budget year beginning July 1, 2020,  
6 multiplied by the remainder of the amount calculated for  
7 the school district under subparagraph (2) minus the amount  
8 calculated for the school district under subparagraph (1).

9 ~~a.~~ b. For each the budget year beginning ~~on or after~~ July  
10 1, 2021, the department of management shall calculate for each  
11 school district all of the following:

12 (1) The regular program state cost per pupil for the budget  
13 year beginning July 1, 2012, multiplied by one hundred percent  
14 less the regular program foundation base per pupil percentage  
15 pursuant to [section 257.1](#) for the budget year beginning July  
16 1, 2021.

17 (2) The regular program state cost per pupil for the budget  
18 year beginning July 1, 2021, multiplied by one hundred percent  
19 less the regular program foundation base per pupil percentage  
20 pursuant to [section 257.1](#) for the budget year beginning July  
21 1, 2021.

22 (3) The amount of each school district's property tax  
23 replacement payment. Each school district's property tax  
24 replacement payment equals the school district's weighted  
25 enrollment for the budget year beginning July 1, 2021,  
26 multiplied by the remainder of the amount calculated for  
27 the school district under subparagraph (2) minus the amount  
28 calculated for the school district under subparagraph (1).

29 c. For each budget year beginning on or after July 1, 2022,  
30 the department of management shall calculate for each school  
31 district all of the following:

32 (1) The regular program state cost per pupil for the budget  
33 year beginning July 1, 2012, multiplied by one hundred percent  
34 less the regular program foundation base per pupil percentage  
35 pursuant to section 257.1 for the applicable budget year under

1 this paragraph.

2     (2) The regular program state cost per pupil for the budget  
3 year beginning July 1, 2022, multiplied by one hundred percent  
4 less the regular program foundation base per pupil percentage  
5 pursuant to section 257.1 for the applicable budget year under  
6 this paragraph.

7     (3) The amount of each school district's property tax  
8 replacement payment. Each school district's property tax  
9 replacement payment equals the school district's weighted  
10 enrollment for the budget year multiplied by the remainder  
11 of the amount calculated for the school district under  
12 subparagraph (2) minus the amount calculated for the school  
13 district under subparagraph (1).

14     Sec. 4. Section 257.16C, subsection 3, paragraph d,  
15 subparagraphs (3) and (4), Code 2022, are amended to read as  
16 follows:

17     (3) For the fiscal year beginning July 1, 2021, and the  
18 fiscal year beginning July 1, 2022, there is appropriated from  
19 the general fund of the state to the department of management  
20 for deposit in the transportation equity fund an amount  
21 necessary to make all transportation equity aid payments under  
22 subsection 2, to be used for the purposes of **this section**.

23     (4) For each fiscal year beginning on or after July 1,  
24 ~~2022~~ 2023, there is appropriated from the general fund of  
25 the state to the department of management for deposit in the  
26 transportation equity fund the sum of the following, or so much  
27 thereof as is necessary, to be used for the purposes of this  
28 section:

29     (a) The amount appropriated to the transportation equity  
30 fund under this ~~subparagraph~~ paragraph for the immediately  
31 preceding fiscal year.

32     (b) The product of the amount determined under subparagraph  
33 division (a) multiplied by the categorical percent of growth  
34 under **section 257.8, subsection 2**, for the budget year  
35 beginning on the same date of the fiscal year for which the

1 appropriation is made.

2       Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate  
3 importance, takes effect upon enactment.

4                                       EXPLANATION

5               The inclusion of this explanation does not constitute agreement with  
6               the explanation's substance by the members of the general assembly.

7       This bill relates to public school funding by establishing  
8 the state percent of growth and the categorical state percent  
9 of growth for the budget year beginning July 1, 2022, modifying  
10 provisions relating to the regular program state cost per  
11 pupil, modifying provisions and references relating to the  
12 property tax replacement payment, and modifying appropriations  
13 for school transportation funding.

14       The bill establishes a state percent of growth of 2.5 percent  
15 for the budget year beginning July 1, 2022. The state percent  
16 of growth is used to calculate the amount of supplemental state  
17 aid for a budget year as part of the state school foundation  
18 program. The bill also establishes a categorical state percent  
19 of growth of 2.5 percent for the budget year beginning July 1,  
20 2022. The categorical state percent of growth is generally  
21 used to calculate the amount of supplemental state aid for each  
22 of the categorical funding supplements.

23       Current Code section 257.9 provides that for the budget  
24 year beginning July 1, 2022, and succeeding budget years, the  
25 regular program state cost per pupil for a budget year is the  
26 regular program state cost per pupil for the base year, which  
27 includes the \$10 addition made for the budget year beginning  
28 July 1, 2021, plus the regular program supplemental state aid  
29 for the budget year.

30       Under the bill, for the budget year beginning July 1, 2022,  
31 the regular program state cost per pupil is the regular program  
32 state cost per pupil for the base year plus the regular program  
33 supplemental state aid for the budget year, plus \$5. Then with  
34 the budget year beginning July 1, 2023, and succeeding budget  
35 years, the regular program state cost per pupil will again be

1 calculated as the regular program state cost per pupil for the  
2 base year plus the regular program supplemental state aid for  
3 the budget year.

4 Code section 257.16B provides for school district property  
5 tax replacement payments. The bill modifies the property tax  
6 replacement payment calculation for budget years beginning on  
7 or after July 1, 2022. For budget years beginning on or after  
8 July 1, 2022, each school district's property tax replacement  
9 payment amount is equal to the school district's weighted  
10 enrollment for the applicable budget year multiplied by the  
11 difference of the following: (1) the regular program state  
12 cost per pupil for the budget year beginning July 1, 2022,  
13 multiplied by 100 percent less the regular program foundation  
14 base per pupil percentage; and (2) the regular program state  
15 cost per pupil for the budget year beginning July 1, 2012,  
16 multiplied by 100 percent less the regular program foundation  
17 base per pupil percentage. The regular program foundation base  
18 per pupil percentage is 88.4 percent.

19 For each fiscal year beginning on or after July 1, 2022,  
20 Code section 257.16C appropriates from the general fund of the  
21 state to the transportation equity fund the sum of the amount  
22 appropriated for the immediately preceding fiscal year plus  
23 the product of the amount appropriated for the immediately  
24 preceding fiscal year multiplied by the categorical percent  
25 of growth for the corresponding school budget year. The bill  
26 modifies the appropriation for the fiscal year beginning  
27 July 1, 2022, such that the total appropriated is equal to  
28 the amount necessary to make all transportation equity aid  
29 payments.

30 The bill takes effect upon enactment.